



Mr. Chet Hagenbarth
Town Manager
P.O. Box 429
Killington, VT 05751

December 17, 2021

Re: Proposed Tax Increment Financing District
Town of Killington

Dear Chet:

I just wanted to say that it has been a pleasure working with you and your team on the proposed Tax Increment Financing District ("TIF District"), Step #1 of a very important growth initiative for the Town of Killington ("Town"). I look forward to following this process through with you resulting a successful development at Killington Resort ("Resort") and for the Town, i.) appropriate growth in the tax base for the Town, ii.) a long-needed Town water system to stabilize an important commercial area within the Town boundaries, and iii.) creating safe, efficient traffic flow on Killington Road.

As you know, a portion of SP Land Company's property holdings are located within the proposed TIF District, specifically our land holdings in the Village Core and Ramshead Brook Subdivision. For 20+ years, several parties have been trying to execute a successful development plan originally supported by the then Governor of Vermont, Howard Dean.

In addition to the attempts of Resort's founders to create a sustained real estate development before the land swap, three attempts have been made to make the project work:

1. In the late '90's, American Ski Company ("ASC") and Governor Dean completed a land swap to make this development plan possible. With the financial assistance of the original SP Land investors, ASC attempted to get the development off the ground. After a couple of failed attempts, the SP Land investors had to step in and realize on their collateral.

2. Upon taking ownership, SP Land worked with a division of a top ten homebuilder in the United States, Centex Destination Properties ("CDP"), to get the resort development moving. CDP spent two years (2004-2006) trying to make the development and the economics work. CDP failed to reach the "right" mix for the future development at the Resort and terminated their letter of intent in early 2007.
3. After an extended permitting process (2008 – 2017), in 2018, SP Land again reached out to the development community using a nationally recognized investment/land broker. The search resulted in another nationally (actually internationally) known development group that showed significant interest in the Resort. After signing a letter of intent, this group spent close to a year studying the Six Peaks Killington, its permits, and developing a proforma for a successful development. In early March 2020, their analysis revealed that due to the lack of Town infrastructure, resulting up-front costs were too much and causing lower than acceptable investment returns. The letter of intent was terminated.

We believe this Step #1 of creating the TIF District is the right thing for the Town at this time and will hopefully lead to future successes including the water project, the road project and a stable/consistent growth in the tax base for the Town. By the way, the internationally known development group mentioned in #3 above, is closely watching the progress we are making here in Town. We believe as the Town works through this TIF District process, this group will be ready and willing to re-engage, and get the Six Peaks Killington development moving.

I look forward to working with you in the future on the next steps for the actual Tax Increment Financing.

Sincerely,



Steven P. Selbo
President
SP Land Company, LLC